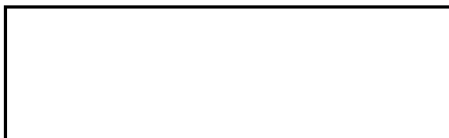
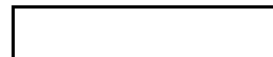


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4 May 1966

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MEMORANDUM FOR THE RECORD

SUBJECT: Preliminary Discussions with Mr. C. L. Johnson, LAC,
on U-2R Export Scheme

1. On Friday, 29 April, I met in Burbank, California, with Kelly Johnson in the presence of [redacted] of OSA to discuss the U-2R export scheme. Kelly indicated that he had had a capsule view of the matter in a brief discussion with [redacted]

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2. I outlined the idea further to him and gave him a list of possible market countries for him to mull over. He seemed confident that the worldwide facilities of Lockheed could be used to good advantage in the selling phase of such an idea [redacted]

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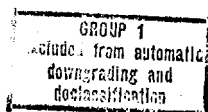
[redacted] I told him that our first requirement was to cost out a model detachment consisting of three U-2R aircraft; ground support equipment, as required; and tech rep manpower needed to maintain the vehicles. Kelly was not in agreement about using the present IDEALIST pilots [redacted]

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[redacted] We did not resolve this matter.

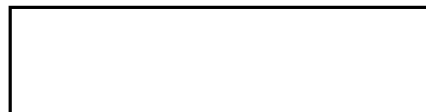
3. Kelly will not make an attempt to cost out the film processing portion of the export proposal since I told him I would have to do this separately with Eastman-Kodak. I also asked him to include in his cost figures the best guess he could make on spare parts consumption, periodic inspection, and subsystem overhaul in those areas where Lockheed could do the job more expeditiously. I then asked him to see if he could figure an average annual operating cost for such a unit based largely on our experience at Edwards.

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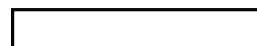


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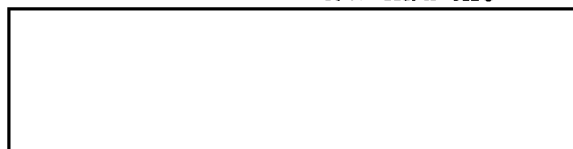
Page 2

4. Kelly said that he would put people to work on this right away and that he would have some preliminary numbers to discuss with me on Friday, 6 May. He asked that I plan to come to Los Angeles for this kind of a session to massage the numbers and to see what might have been left out. He did say that he felt it was best to plan for doing all IRANs at Lockheed in California, rather than to attempt to accomplish them overseas. He also favored use of American tech reps to the greatest extent possible, based on the assumption that they would gradually be reduced as the host country achieved some semblance of capability in and on military aircraft in those fields.

5. I think on the whole Kelly was reasonably attracted to the idea, especially to the concept of trying to sell a complete package rather than a few airplanes. I told him that I was seeing [redacted] at P&W on 4 May and that initially, at least, we were prepared to consider overseas engine overhaul if it could be demonstrated that P&W had the inherent capability to accomplish this.

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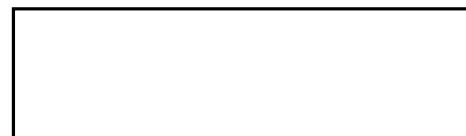


JAMES A. CUNNINGHAM, JR.
Deputy Director of Special Activities

cc: D/R/CIA

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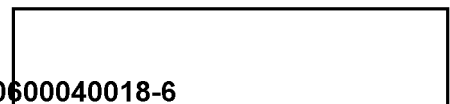
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